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Dear Members of Congress,

The National Waste & Recycling Association (NWRA) strongly opposes the pending Udall-Lowenthal federal Extended Producer Responsibility legislation that has been announced with a target introduction of this fall. NWRA believes that we can achieve the same end of reducing plastic waste pollution by encouraging more recycled content in the manufacturing of plastic products, improving products through better consumer product and product packaging designs, and by providing tax and other incentives to promote the development of new domestic markets and increased domestic recycling capacity.

NWRA is the voice in the nation's capital for the private-sector waste and recycling industry that is essential to maintaining the quality of American life. The industry directly employs about 450,000 people as of mid 2019 with a total payroll of more than \$28 billion. It is estimated that the private sector waste and recycling industry accounts for over one million jobs and generates nearly a quarter of a trillion dollars in U.S. GDP.

Our members operate in all 50 states and the District of Columbia and can be found in most, if not all, U.S. congressional districts. Waste and recycling facilities number nearly 18,000 scattered throughout the U.S., mirroring population centers. Our nearly 700 members are a mix of publicly-traded and privately-owned local, regional, and Fortune 500 national and international companies. NWRA represents approximately 70 percent of the private sector waste and recycling market.

There are better ways to address the issue of reducing plastic waste pollution than by product stewardship (PS) or extended producer responsibility (EPR) financing schemes. PS/EPR only serves to insert the government further economically between citizens, local governments, consumer products manufacturers and packaging companies, and our recycling industry.

Under PS/EPR, people would be forced to pay twice for recycling, first through their taxes and fees that fuel our recycling systems and then through higher prices on consumer goods to pay for EPR. Groceries, ordering or sending packages, and purchasing everyday products and appliances for their homes or businesses would all become more expensive. This amounts to a regressive tax that hits low-income individuals the hardest.

The outline for the legislation sets forth obligations for producers on packaging as a condition of their sale, stating, "These programs may or may not use existing collection and processing infrastructure. Programs should cover all products in a given category." The pressure that this legislation places on manufacturers will lead to an increasing number of items being labeled as recyclable, completely ignoring not only technical recycling capabilities, but whether there even is a market for a particular material. This kind of thinking has led to the high contamination rates in our recycling stream today resulting in China's ban on the importation of recyclable materials, the cessation of several localities' recycling programs, and the stockpiling or even landfilling of recyclables.

Currently, there is considerable pressure on recycling facilities to accept materials for which there are limited markets so that retailers and manufacturers can make recyclability claims. Because those markets are marginal to begin with, they are generally unstable and costly. We have a concern that this legislation may drive product manufacturers to label their materials as recyclable while there is no end market. This can put enormous pressure on our materials recovery facility (MRF) infrastructure which could result in increased contamination. The most important criteria is whether the material is ultimately made into new products.

A nationwide container deposit or “bottle bill” as is proposed in this legislation harms traditional recycling by taking valuable commodities out of the recycling stream thereby disrupting the business model. Additionally, it would require creation of a separate system apart from the traditional recycling stream thereby duplicating logistics and increasing costs.

State bottle bills were instituted as litter abatement programs before curbside recycling was initiated and now are used by just ten states as they are an inefficient method of managing post-use of the product. Furthermore, just because a bottle has been redeemed does not mean that it will be recycled and may still wind up in a landfill.

Just this month, California’s biggest bottle redemption center chain, rePlanet, announced that it was ceasing operations in California and closing all 284 of its locations. Even with the support of funds from deposits, it was ultimately financially unsustainable. Consumers were redeeming only about half of the deposits that they paid and were instead utilizing their curbside recycling bins, which from a sustainability perspective is the better choice. Furthermore, curbside recycling provides efficiencies not enjoyed by container deposit redemption centers.

Delaware’s container deposit law was failing for years before they abandoned it in favor of curbside recycling. According to the Delaware Department of Natural Resources and Environmental Control, the state’s recycling rate climbed from 32.6 percent under the bottle bill law to 44.5 percent in 2016 under curbside recycling.

It is also beneficial to compare container recycling rates for places that require deposits with those that do not. In New York City and Boston where there are state laws mandating container deposits, their container recycling rates are less than 20% and 25% respectively while Seattle and Austin have rates of 60% and 42% respectively despite their states not requiring deposits.

These deposits also amount to a hidden tax / fee on consumers with contradictory aims. Is the real purpose of this component of the legislation to get consumers to return containers or is it in hopes that they do not return the containers so as to generate revenue for the federal fund to assist with collection infrastructure?

Perhaps most importantly, bottle bills do not generate markets for recyclables.

The call to standardize labeling for recycling is also misplaced as different areas have different recycling capabilities which may be driven by market demand for recycled products. Increased public education on what localities’ recycling programs will accept, not a one-size fits all prescription, is the solution.

Rather than focusing on inefficient and misguided PS/EPR legislation, Congress should move forward with minimum content legislation that will both clean up the recycling stream and our environment. Incentivizing covered entities to make significant investment in domestic market development should strongly be considered and incorporated in legislation. Such investments would have the potential to create greater stability in the existing recycling infrastructure and spur the development of domestic processing facilities in order to solidify a truly closed loop for single-use plastic products.

Sincerely,



Darrell K. Smith, PhD
President and CEO